

Sabiedrisko pakalpojumu regulēšanas komisija
Ūnijas str. 45, Rīga,
LV-1039, Latvia

2018-06-06 Nr. SD/2018-231
To 23.05.2018 public consultation

Phone: +371 67097200
E-mail: sprk@sprk.gov.lv

OPINION ON TARIFF CALCULATION METHODOLOGY FOR GAS TRANSMISSION SYSTEM SERVICES

UAB "Lietuvos dujų tiekimas" (further – LDT) expresses its opinion on public consultation regarding gas transmission system services tariff calculation methodology published by PUC on its website on May 25th, 2018. We appreciate the work which have been done for liberalization of the gas market in Latvia and understand challenges faced. LDT supports fair and equal market conditions for all gas market participants and therefore we raise two concerns in the proposed methodology.

Firstly, it is questionable if Auction is the right tool to ensure gas supply security (further – SoS) given its costs. It is not the topic of SoS which is at question, but the means how security is perceived and achieved. When looking back into historic events it is vital to distinguish true demand of a particular region (Latvia) excluding any extraordinary events at a given time – such as high electricity production or other commercial activities which could use alternative sources of equal liquidity as gas.

Taking into account aforementioned true demand, we ask to consider the level at which Auction costs from season 2017/18 shall be recovered via transmission tariffs in upcoming years, if any. SoS is seen as a service of general economic and social interest and shall not serve as a mean to write off expenses, produced by decisions of separate entities.

Secondly, we believe that in the future countries of Baltic Sea region will have a tight relationship in a gas sector. Such cooperation is already welcome and having interconnection with Lithuania we have no doubt Suppliers and Transmission System Operator in Lithuania would look into options to supply commodity during peaks of demand. Looking back into recent historical events it is observed that during the highest withdrawal periods from Inčukalns Underground Storage (IUG), while Kiemėnai interconnection capacities were utilized no more than 5 percent which means that there are alternative ways to ensure SoS in Latvia.

We invite to consider this option and use this supply route in upcoming periods, reducing the costs put on gas market participants.

General Director



Mantas Mikalajūnas

D. Lysko, tel. +370 (5) 278 2815, e-mail: darek.lysko@ldtiekimas.lt